



MEMORANDUM

To: Reporters and Editors
From: Carol Guthrie for Finance Chairman Max Baucus (D-Mont.)
Re: Senators' letter to OMB Director Nussle urging resources for Social Security

Please see below the text of a letter from Finance Chairman Baucus and Senators Snowe, Kerry, Bingaman, Kohl, and Smith, urging Office of Management and Budget Director Jim Nussle to provide sufficient administrative funding for Social Security in the President's Fiscal Year 2009 budget. Such funding is needed to reduce current application backlogs for disability benefits, and the difficult consequences for many applicants. The funding is also needed to improve currently inadequate service to the public in Social Security's field offices. The Senate Finance Committee has jurisdiction over the Social Security program.

December 19, 2007

The Honorable Jim Nussle
Director
Office of Management and Budget
Washington, D.C. 20503-0009

Dear Director Nussle:

We are writing to ask you to include sufficient resources in the President's FY 2009 Budget to enable the Social Security Administration (SSA) to begin to address the serious problems with its current service to the public. Therefore, we recommend that the President's Budget for FY 2009 request at least \$11 billion for administrative funds for SSA.

Sufficient funding will enable SSA to begin reducing the enormous waiting times that applicants for Social Security disability benefits endure before they receive their Social Security disability benefits. Currently, it can take as long as four years for an applicant for disability benefits to finally have his or her benefits approved. During these long waiting periods, these disabled applicants have no earnings. Therefore, the delay in getting benefits approved puts enormous financial strain on them and their families. Some applicants have even had their houses foreclosed on by lenders or been evicted from their lodgings, and some have become homeless. Some have lost custody of their children. Some have died waiting for their benefits.

The primary reason for these enormous waiting times for applicants is that there are huge backlogs of applications and appeals. For example, there is currently a backlog of about 750,000 appeals for hearings before administrative law judges. As you know, the waiting times faced by these applicants have been a concern for many of our constituents and are a constant source of casework in congressional offices. The primary reason for these huge backlogs is insufficient administrative funds to hire enough staff.

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Other services to the public are also suffering because of lack of administrative funds and staffing. Telephone service in the local field offices is abysmal. A 2006 survey found that 51% of callers who had tried to reach the field offices by phone were unsuccessful. Callers get busy signals for weeks at a time. Many never get through at all. Waiting times for members of the public to get service in field offices can be two hours or longer. Moreover, important workloads are not being processed, and this can sometimes lead to overpayments that unsuspecting beneficiaries will have to pay back later.

It is clearly important that SSA perform as many Continuing Disability Reviews (CDRs), SSI redeterminations, and other payment integrity workloads as are needed. However, if \$11 billion were provided for SSA in FY 2009, and services to the public were funded at adequate levels, only the number of CDRs and SSI redeterminations proposed in the President's Budget for FY 2008 could take place (398,000 CDRs and 1,526,000 SSI redeterminations). These levels are below the annual levels provided for several years ago. We know that OMB places a high priority on payment integrity efforts. Therefore, if possible, the President's Budget for FY 2009 should propose as much additional funding above \$11 billion as is needed to provide for the annual levels of payment integrity efforts of several years ago.

We are confident that you agree with us that everyone – the President, OMB, SSA and all Members of Congress – wants all federal agencies to provide optimal service. Please provide SSA with the resources that are sufficient for it to fulfill its mission to the public.

Sincerely,

Max Baucus
John Kerry
Herb Kohl

Olympia Snowe
Jeff Bingaman
Gordon Smith

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